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July 30, 2004

TO: Karen Kalfayan
Office of the City Clerk

FROM: Kerry Morrison
Executive Director
Hollywood Entertainment District POA

SUBJECT: Second Quarter
April 1, 2004 to June 30, 2004

As is required in our Agreement with the City of Los Angeles, I am submitting our Second Quarter Report to summarize key activities of the Hollywood Entertainment District. In addition, the June 30, 2004 financial statement is attached to this memo.

I. Operational Issues

- On April 2, representatives from several BIDs in the city (Fashion District, Downtown Center BID, Figueroa Corridor, Hollywood Media, Toy/Industrial District and HED) met with Patti Tubert and Susan Pfann in the City Attorney's office to discuss concerns emanating from the recent change to the BID contract. Other issues on the agenda included: litigation involving BIDS and city insurance requirements. City Attorney staff vowed to return to the group with a proposed course of action. At the April 15, 2004 Board meeting, the Board authorized the mailing of a letter directly to City Attorney Rocky Delgadillo outlining serious concerns with the manner in which the contract issue was handled, and requesting a return to the original 2003 draft approved by the Board last year.
- RBZ LLP completed the Association's 2003 financial review, and the HEDPOA mailed the 2003 Annual Report to the property owners in early May.
- The Board voted at their May 20 meeting to increase the assessment for

2005 by two percent. The CPI increase would have allowed for up an up to 2.6% increase. Additionally, as it relates to the 2005 assessment, the Association sent letters to the non-profit property owners, requesting verification of their non-profit status, in order to qualify for the non-profit discount. The deadline to submit the assessment information to the City Clerk for the fall tax bills was June 1, 2004.

- The Board discussed several alternatives over the course of this quarter relative to the situation involving lack of non-owned auto insurance in the current GL policy. Options include paying the \$6,000 premium to insure two staff, waiting until the current GL policy expires, and seeking a new policy which includes this coverage, asking the staff to purchase umbrella insurance, which would be reimbursed by the Board. Legal counsel was also sought on this issue. This issue will be pursued into the Third Quarter.
- A Nominating Committee was appointed by the President in June. The Nominating Committee consisting of two board members, and one at-large property owner, will solicit nominations during the month of July for five seats that will open in November.

II Security

- A Video Surveillance Task Force was established to guide the Association's involvement in securing digital wireless cameras for use by the LAPD in the Hollywood Entertainment District. The Task Force held its first meeting on May 12. In attendance were representatives from the City Attorney's office, CD-13, the Sheriff's Department, FBI and the LAPD. A test camera had been installed on a building on Cahuenga two weeks prior, and Task Force participants viewed footage of arrests made as a result of that camera tracking drug sales. The Board has conditioned the future investment in a camera system on the city's written guarantee that the city will hold the HEDPOA harmless in any litigation arising from the use of the cameras. The Board of Directors voted on 5/20/04 to authorize \$100,000 from the security budget for the purchase of video surveillance equipment to be used within the HED, and to set aside \$5,000 to hire a technical consultant to advise on the development of an RFP, the selection of a vendor and the implementation of the project.
- As a result of the Board's action, Dan Koch from the FBI, was hired as a technical consultant. Seven companies received an RFP mailed on June 7. Six companies participated in the pre-bid meeting on June 25. The deadline for proposals is July 12.
- Kerry Morrison has participated on a working group over the last year with representatives from LA area BIDs and the LAPD. A working document

that outlines protocols governing LAPD and BID relationships was distributed to the Board for their review on June 24. This project is intended to improve the communication and relationships between BIDs, their security teams and the LAPD. Currently this document is being reviewed by the City Attorney's office, at the request of Chief Brennan, before it will be formally presented to Chief Bratton.

III Streetscape Issues

- The HEDPOA is a member of a city-wide coalition called CLEAN (Coalition for LA's Enforcement Applied to Newsracks) that is advocating for the city's enforcement of the existing newsrack ordinance in the city of Los Angeles. The City Council unanimously endorsed the CLEAN-supported newsrack ordinance at their meeting on March 31. The ordinance must be heard one additional time before it becomes finalized.
- The Board approved a one-year extension of the maintenance contract with Clean Street. The annual contract is worth \$655,044 and the funds come from a combination of current assessment funds (\$51,850/month) and Special Project funds (\$2,737/month). This year, tree trimming and curb painting were eliminated from the contract. In addition, extended day porter service during the summer season was also eliminated due to the budget decrease from the previous BID.
- The Board voted in April to pursue dissolution of the Hollywood Vine Assessment District, in order to assure the release of the >\$150,000 that has accumulated in that account. In the meantime, the Public Works Committee will consider releasing \$46,000 from the account to allow funds to be used for Walk of Fame services this year. This issue will be heard in July.
- The Board entered into a one-year Landscape Services contract with TruGreen Landcare, for maintenance services related to the various tree projects that were installed by the HEDPOA over the last six years. The contract value is not to exceed \$58,930 and will be paid from Special Projects Funds.
- A "planter demonstration project" was launched in the BID in June. The intent is to try four different types of plant material to see what has the greatest chance of thriving given the different "micro-climates" along Hollywood Boulevard, and the exposure to vandalism.
- Clean Street supervisor Rudy Pichay received a commendation from Councilmember Eric Garcetti for his exemplary work in the BID. He was formally recognized at the 6/24/04 Board meeting.

IV Marketing Issues

- A re-vamped www.hollywoodbid.org website was implemented in time for the POW WOW International Tourism EXPO held in Los Angeles in April. The website features new digital images, an interactive map, a portal for visitors and property owners, the ability for stakeholders to upload their own information regarding property listings and venues for rent; a map, and downloadable information from the BID (including the BID BIZ, Annual Report, press releases, and the like).
- The 2004-05 Hollywood Visitor's Guide and Map was printed and distributed in April.
- The Board authorized the hiring of Economics Research Associates (ERA), at a cost of \$15,000, to continue the practice of measuring annual benchmarks of economic indicators in the BID. A report will be ready by April.

V. OTHER

- A subset of the Board met with Councilmember Eric Garcetti and his staff for lunch on June 28 to discuss BID issues.
- The HEDPOA was recognized at the PATH (People Assisting the Homeless) Angel Awards on June 10.